# Partnerships British Columbia Inc.

# 2016/17 – 2018/19
# SERVICE PLAN

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# Accountability Statement

The 2016/17 - 2018/19 Partnerships British Columbia Inc (Partnerships BC) service plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of December 1, 2015, have been considered in preparing the plan. The performance measures presented are consistent with the Taxpayer Accountability Principles, Partnerships BC's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Partnerships BC's operating environment, forecast conditions, risk assessment and past performance.

Dana Hayden

Board Chair

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# Strategic Direction and Context

Partnerships BC is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole Shareholder, the Minister of Finance. It is incorporated under the British Columbia Business Corporations Act.

Partnerships BC's strategic direction and context have been set by its Shareholder, as per the Crown's Mandate Letter. In addition, Partnerships BC continues to be guided by the recommendations from the Partnerships BC Crown Review ('the Review') that was completed by the Government of B.C. in December 2014.

The Review confirmed the value provided by Partnerships BC as a Crown corporation and made recommendations for improvements to policies and practices governing Partnerships BC and its service model. The Shareholder also directed Partnerships BC to do more to understand and respond to the needs of stakeholders, including improving Partnerships BC's outreach to ensure that stakeholders understand Partnerships BC's mandate and the partnership procurement model.

The strategic priority actions from Partnerships BC's 2016/17 Mandate Letter, including the supporting rationale for each action, are as follows:

1. In Partnerships BC's 2016/17 – 2018/19 Service Plan, continue to improve the clarity of the strategies, performance measures and targets, and strengthen their linkages to the goals of the agency.

   Rationale: This will allow Partnerships BC to more clearly demonstrate its progress in critical areas of performance to its stakeholders and the general public.

2. Provide a summary of Partnerships BC's progress against the performance targets in the agency's Stakeholder Engagement Plan, as well as any emerging issues and mitigation strategies, to the Deputy Minister of Finance by May 1, 2017.

   Rationale: This allows the Ministry of Finance to track Partnerships BC's performance in key areas of stakeholder engagement including stakeholders' satisfaction with Partnerships BC's services and understanding of the partnership procurement model.

3. Provide the Ministry of Finance with a report that identifies recommendations for Partnerships BC's role in continuing to support Ministries' project boards for their major capital projects by June 30, 2016.

   Rationale: This will clarify the types of support that Partnerships BC will provide Ministries' project boards to help ensure effective governance and oversight for major capital projects and prudent use of Ministries' and Partnerships BC's resources.

4. Finalize and implement conflict of interest guidelines for Partnerships BC's Board members by May 31, 2016.

Rationale: This will help Partnerships BC's Board of Directors identify and effectively manage any actual, potential, or perceived conflicts of interest that may arise.

The current corporate goals reflect Partnerships BC's mandate to ensure it is meeting Shareholder and client needs and remain unchanged from last year:

**Vision**

To be a recognized leader in evaluating, structuring and implementing delivery solutions for complex public infrastructure projects while delivering consistent value to our clients.

**Mandate**

Partnerships BC supports the public sector in meeting its infrastructure needs by providing leadership, expertise and consistency in the procurement of complex capital projects, by utilizing private sector innovation, services and capital to deliver measureable benefits for taxpayers.

**Values**

Consistent with Taxpayer Accountability Principles, Partnerships BC's values are as follows:

- **Service:** Partnerships BC is committed to value-added, cost effective, efficient client service.
- **Commitment:** Partnerships BC is committed to delivering high quality work, to working together as a team, to collaborate and communicate in a timely way.
- **Accountability:** Partnerships BC is committed to transparent management of its business, to reporting out on operations, and to ensuring compliance with public sector compensation guidelines.
- **Integrity:** Partnerships BC is committed to making decisions and taking actions that are transparent, ethical and free from conflict of interest, and to adhering to its ethical code of conduct.
- **Respect:** Partnerships BC is committed to engaging in equitable, compassionate, respectful and effective communications.

# Operating Environment

Infrastructure continues to play a major role in supporting Canada's economy. With British Columbia facing aging infrastructure and budget constraints, while also experiencing population growth and new infrastructure needs, public private partnerships bring together the expertise of both the private and public sectors to help address the resultant infrastructure gaps. The Canadian Council for Public Private Partnerships has identified 238 PPP projects across Canada, $81 billion of which are already in operation or under construction. These projects are creating jobs, growing the economy, making people's lives easier, and, as has been the experience in B.C., when delivered on time and within the capital and affordability ceilings, government is able to make their planned investments in critical public services.

Partnerships BC continues to demonstrate leadership in procurement and commercial practice. The organization has long term relationships with core clients including the Ministries of Transportation and Infrastructure, Health and Justice and has established new relationships with the Ministry of Advanced Education, the Ministry of Education and several B.C. Crown corporations.

In addition to services provided within B.C., Partnerships BC offers value added services to clients outside of the province such as Territories of Nunavut and the Yukon, Saskatchewan, and Newfoundland and Labrador. This creates opportunities for B.C. companies to participate in other markets, in alignment with the Government of B.C.'s job creation and investment goals. It also provides opportunities for Partnerships BC to both refine and improve its practices and learn lessons from working with other jurisdictions, which can be applied to B.C.

Since its inception in 2002, Partnerships BC has participated in 48 projects with a cumulative capital cost of more than $17.8 billion. Of these, eight projects with a total capital cost of $2.2 billion were undertaken for other governments in Canada. The B.C.-based projects – which are either operational, under construction or currently in the competitive selection process – are delivering significant benefits to clients and British Columbians. Partnerships BC has also started to implement its Stakeholder Engagement Plan and will continue to improve engagement practices with our clients and partners.

The B.C. pipeline for complex capital projects remains strong and there is potential for a significant stimulus of project flow in the coming years with the anticipated federal government infrastructure program. This program will increase capacity to address infrastructure gaps across B.C. and Canada.

Partnerships BC is executing on its Strategic Plan to meet corporate goals as reflected in the Mandate Letter, developing a sustainable project pipeline, and focusing on the continued growth and development of existing employees and integration of new employees.

# Performance Plan
# Goals, Strategies, Measures and Targets

Partnerships BC's position at the nexus of the public and private sector enables it to act as an interface between public sector entities and private sector organizations. The team at Partnerships BC has established a track record of supporting the delivery of projects that are on time and on budget. The global infrastructure market consistently recognizes Partnerships BC-led procurements as being well run, fair, open and transparent, thereby increasing market interest and more vibrant competition.

Since its inception in 2002, Partnerships BC has been guided by its annual Letter of Expectations, from which the Board of Directors has developed the vision, mandate, corporate goals, performance measures and service model for the company. At the direction of its Shareholder from the 2015/16 Mandate Letter, Partnerships BC reviewed its service model and subsequently revised its vision, mandate, values, corporate goals and performance measures for the current year and they remain unchanged in our 2016/17 Service Plan. The current corporate goals, described below, address Partnerships BC's mandate to ensure that it is meeting Shareholder and client needs effectively.

| **Current Goals** |
|---|
| 1. Meet procurement objectives associated with complex infrastructure projects |
| 2. Deliver value add to our clients and engage stakeholders effectively |
| 3. Maintain a responsive and resilient organization |

# Goal 1: Meet procurement objectives associated with complex infrastructure projects

## Strategies

- Partnerships BC is committed to being a centre of expertise in planning and procurement, to maintaining an updated library of guidance and best practice documents, and to demonstrating quality control.
- Partnerships BC is committed to initiating innovative procurement processes and contractual structures, and working with its clients and the market to achieve procurement objectives such as fairness, transparency, attracting robust competition, achieving value for money, and meeting procurement schedules.

**Performance Measures 1 – 4: Procurement objectives are met**

| Performance Measure | 2014/15 Actual | 2015/16 Forecast | 2016/17 Target | 2017/18 Target | 2018/19 Target |
|---|---|---|---|---|---|
| Fairness advisor report where size and scope warrants fairness review | New | Fairness advisor report concluded that procurement process was fairly administered | Fairness advisor report concludes that procurement process was fairly administered | Fairness advisor report concludes that procurement process was fairly administered | Fairness advisor report concludes that procurement process was fairly administered |
| Achieve value for money at financial close | 100% of projects that reached financial close achieved value for money | Each project that reached financial close achieved value for money | Each project that reaches financial close is expected to achieve value for money | Each project that reaches financial close is expected to achieve value for money | Each project that reaches financial close is expected to achieve value for money |
| Financial proposals are within capital and affordability ceilings | New | Each project that reached financial close is attained within the capital and affordability ceiling | Each project that reaches financial close is expected to be attained within the capital and affordability ceiling | Each project that reaches financial close is expected to be attained within the capital and affordability ceiling | Each project that reaches financial close is expected to be attained within the capital and affordability ceiling |
| Project is delivered based on the agreed upon procurement schedule | New | Each project is delivered within the agreed upon procurement schedule | Each project is expected to be delivered within the agreed upon procurement schedule | Each project is expected to be delivered within the agreed upon procurement schedule | Each project is expected to be delivered within the agreed upon procurement schedule |

**Discussion:**

- Partnerships BC will work with client project teams to collect and publish Fairness Advisor and Value of Money reports.
- In order to ensure that financial proposals are within the capital and affordability ceilings, Partnerships BC will compare the project's affordability ceiling as outlined in the Request for Proposal to the estimated project cost in the Value for Money report.

# Goal 2: Deliver value to our clients and engage stakeholders effectively

- Partnerships BC is committed to meeting or exceeding client expectations.
- Partnerships BC is committed to implementing and monitoring an updated stakeholder engagement program that uses a range of methods to gather and respond to feedback. Examples of methods that may be undertaken include surveys, market outreach sessions, meetings and briefings, workshops and information sharing events, conferences and business-to-business networking sessions.
- Partnerships BC is committed to maintaining strong market participation.

**Performance Measures 5 – 7: Delivering value and engaging stakeholders**

| Performance Measure | 2014/15 Actual | 2015/16 Forecast | 2016/17 Target | 2017/18 Target | 2018/19 Target |
|---|---|---|---|---|---|
| Client satisfaction | Achieve an 85% client satisfaction rating.<br><br>Client survey was not conducted in 2014/15 due to Crown Review by government. | 81.2% satisfaction rating | 85% or higher client satisfaction rating | 85% or higher client satisfaction rating | 85% or higher client satisfaction rating |
| Stakeholder engagement | New | 81.2% satisfaction rating | Maintain or improve upon previous year's performance | Maintain or improve upon previous year's performance | Maintain or improve upon previous year's performance |
| Competitive procurements | At least four qualified respondents at RFQ stage.<br><br>Achieved goal on nine out of eleven projects. The other two projects were outside of B.C., where the market is still developing. | Will meet or exceed targets in 2015/16 | At least four qualified respondents at RFQ stage | At least four qualified respondents at RFQ stage | At least four qualified respondents at RFQ stage |

**Discussion:**

- Client satisfaction and effective stakeholder outreach and engagement in procurement practices have all been identified as priority performance measures.
- The performance against associated targets were measured through data sources such as client surveys, numbers of, and feedback from, stakeholder interactions conducted through various methods, levels of awareness and support from stakeholders, and number of market

participants for each procurement. Partnerships BC has set baseline targets and will confirm data sources through its planning. In subsequent years, performance against the 2015/16 baseline will be measured and is expected to be sustained or improved over time.

- A fundamental tenet of Partnerships BC led procurements is that the public sector obtains value from procurements with robust competition.
- The client and stakeholder engagement satisfaction ratings have a standard error of +/- 8% at the 95% level of confidence.

# Goal 3: Maintain a responsive and resilient organization

- Partnerships BC is committed to ensuring an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across the organization
- Partnerships BC is committed to a workplace that promotes employee engagement

**Performance Measures 9 – 11: Maintaining a responsive and resilient organization**

| Performance Measure | 2015/16 Actual | 2015/16 Forecast | 2016/17 Target | 2017/18 Target | 2018/19 Target |
|---|---|---|---|---|---|
| Self sufficiency | Achieve net income target<br><br>Exceeded net income target. | Will meet target in 2015/16 | Achieve net income target | Achieve net income target | Achieve net income target |
| Employee satisfaction | Achieve an 80% employee satisfaction rating.<br><br>Employee satisfaction survey not conducted as organization was undergoing some significant changes. | Workplace engagement survey to be completed in Q4 fiscal 2015/16 | Achieve 80% or higher rating in employee satisfaction survey | Achieve 80%, or higher rating in employee satisfaction survey | Achieve 80% or higher rating in employee satisfaction survey |
| Voluntary employee turnover | New | Expect to meet target in 2015/16 (industry average currently at 9% to 9%) | Lower than industry average | Lower than industry average | Lower than industry average |

Dimensions:

- Partnerships BC is required by its Shareholder to be financially self-sufficient, a condition met by achieving a positive net income target on an annual basis.
- Success will be measured through surveys, with an initial baseline of 80 per cent satisfaction. Partnerships BC conducts the employee survey through anonymous feedback and a third party service provider.
- Voluntary employee turnover has historically been lower than industry average. The data for the industry average can be obtained from organizations such as the Human Resources Management Association and the Conference Board of Canada. Partnerships BC measures itself against industry average and sets a target lower than this on an annual basis.

# Financial Plan
## Summary Financial Outlook

| | [illegible] Actual | [illegible] Forecast | [illegible] Budget | [illegible] Budget | [illegible] Budget |
|---|---|---|---|---|---|
| **[illegible]** | | | | | |
| [illegible] | $ [illegible] | $ [illegible] | $ [illegible] | $ [illegible] | $ [illegible] |
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**Key Assumptions**

The budgeted financial statements for fiscal years 20X7-1 to 20X9-0 are prepared based on the following assumptions and reflect the Partnership's

1. Cap Time Equipment (CTE) revenues is up at fiscal year-end, due to expand to a change in how we measure minutes. The staffing complement will remain [illegible] We to maintain the same complement and will also provide the complement CTE-1, with sufficient supplies to fill up to 40 current and future capital projects.

2. Taxes is an increase to Partnership BCI's charge out rates to commercial clients in fiscal years 20X7-1 to 20X9-0.

3. Operating expenses for fiscal years 20X7-1 to 20X9-0 are challenges on the inputs, but were valued budgeting practices.

4. Capital expenditures are for network and computing computer between equipments. Transient software includes non-renewal contracts, and are amortized under [illegible] policies.

# Appendix A

## Hyperlinks to Additional Information

Partnerships BC Board of Directors
Senior Management Team
Partnerships BC governance principles
Organizational overview